GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Public Servants - Transport Department - Case under the Prevention of Corruption Act, 1988 against Sri P.Venkata Gangadhara Rao, MVI, on the allegation of acquisition of Assets disproportionate to the known sources of his income to a tune of Rs.66,04,038-00 - Further action dropped – Orders – Issued.

TRANSPORT, ROADS & BUILDINGS(VIG.TR)DEPARTMENT

G.O.Rt.No.156 Dt.19.07.2019

Read the following:

1) Proceedings in R.No.2515/V3/2011-1, dated: 09.03.2011 of Transport Commissioner, A.P., Hyderabad.
2) From the Director General, Anti-Corruption Bureau, A.P., Hyderabad, RC.No.37/RCA-WVP/ 2011-S.11, Dated: 07.04.2011.
3) G.O.Rt.No.1433, T,R&B(VIG.III)Deptt., Dated: 22.12.2012.
4) From the Director General, Anti-Corruption Bureau, A.P., Hyderabad, RC.No.37/RCA-WVP/ 2011-S.11, dated: 30.08.2016.
5) Reptn.of Sri P.V.Gangadhara Rao, MVI, dated: 14.09.2016.
6) Memo No.3808/Vig-Tr/1/2011-12, TR&B(Vig.Tr) Detp, dated 17.03.2017
7) From the D.G., ACB A.P.,Vijayawada, RC.No.37/RCA-WVP/ 2011-S.11, dated: 01.06.2017.
8) Reptn.of Sri P.V.Gangadhara Rao, MVI, dated: 30.09.2017.

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ORDER:

On credible information that Sri P.V. Gangadhar Rao, MVI O/o DTC, Visakhapatnam has acquired assets disproportionate to the known sources of income, the ACB authorities have registered a Case in Cr.No.4/ RCA-VSP/2011 U/s.13(2) r/w13(1) (e) of the P.C.Act 1988 on 09.02.2011 against him and simultaneous searches were conducted at the residential house of the Accused Officer and other places. During the searches, the ACB authorities have provisionally arrived that the Accused Officer was in possession of disproportionate assets to a tune of Rs. 50.00 lakhs. The Accused Officer was arrested on 10.02.2011 and remanded to judicial custody. In the 1st read above, the Transport Commissioner, A.P., has placed Sri P.V.Gangadhar Rao, the then MVI O/o DTC, Visakhapatnam under suspension under Rule 8(2)(a) of A.P. Civil Services (CC&A) Rules, 1991. Subsequently, in the 3rd read above he has been reinstated into service.

2. The Director General, Anti Corruption Bureau, in the 4th read above has submitted the final report to Government, stating that Sri P. V. Gangadhar Rao, MVI has acquired assets disproportionate to the known source of his income to a tune of Rs.66,04,038-00/-. The calculations of the disproportionate assets and the findings & recommendations of the ACB are as follows:

Total income of A.O. during the check period.	34,32,422-00
Total expenditure of A.O. during the check period.	58,84,791-00
Excess expenditure of the Accused Officer during the Check Period.(-)	24,52,369-00
Total assets of A.O. acquired during the Check Period.	41,51,669-00
Excess expenditure of the of A.O. (+)	24,52,369-00
Disproportionate Assets of A.O.	66,04,038-00

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Findings and recommendations:

1. That the Accused Officer Sri Pendurthi Venkata Gangadhara Rao, Motor Vehicles Inspector O/o Dy. Transport Commissioner, Visakhapatnam, had acquired assets disproportionate to his known source of income to a tune of Rs.66,04,038-00 shall prosecute in a court of law.
2. Further, the A.O. did not file Annual Property Returns for the year 2007 to 2010. Hence, the A.O. violated rule 9 (7) of APCS (conduct) Rules 1964 and it is recommended to initiate departmental action under AP Civil Services (CCA) Rules 1991.
3. A.O. did not obtain prior permission for the acquisitions of assets vide item Nos. 5, 6,7, 8,12,13 and 14 and also not obtained prior permission for disposal of vehicles vide item Nos.7, 8, and 9 under head "Income" from competent authority. Hence, the A.O. violated rule 9(1) of APCS (conduct) Rules 1964 and recommend for initiating departmental action.

3. Sri P.V.Gangadhara Rao, MVI, Salur, Vizianagaram District in his representations 5th and 8th read above, denied the allegation that his Parents are his benamies and he has nothing to do with the properties owned by his father and Mother, since they have (his Parents) independent income, which has been assessed by the Income-Tax Department, and clubbing of the Expenditure of his Parents along with his expenditure(under Household Expenditure of the A.O.), stating that they are dependents on Accused Officer, and also adding the Assets owned by his Parents to his Assets. The Accused Officer has also contended that certain items of expenditure were inflated and shown as "Unexplained Expenditure" and the net result is the alleged disproportion while furnishing the Statements of Assets, Income and Expenditure he has requested the Government to drop further action against him .

4. After examination of the report of the ACB and representations of Accused Officer, Government, have observed that the ACB has reported the Disproportionate Assets alleged to have been possessed by the Accused Officer as per the version of ACB is Rs.66,04,038/-. As against this, the main contention of the A.O. is that the assets possessed by his parents who have their own independent business in transport from 1981-2006 are to be totally eliminated from the computation of assets to him. The total income projected by the parents of AO in IT returns as indicated in the report of the ACB dt.01.06.2017 for the period from 2002-03 to 2008-09 for Mother works out to Rs.9,68,694/- and Father from 2003-04 to 2008-09 works out to Rs.8,27,579/- totalling to Rs.17,96,273/-. On this basis, the approximate income per year works out to Rs.3.60 lakhs, and during the business carried out by parents from 1981 to 2006 i.e., 26 years, it would be Rs.93.6 lakhs. However, the ACB on one hand reported that the investigation could not reveal the probable income of parents of AO earned on the transport business from 1981 (i.e., year of purchase of first trailer) to 2006, though the vehicles are in the name of Accused Officer and his father, as the IT returns or any other legal documents secured during the course of investigation have not supported to evaluate the earnings of AO's parents on transport business during the above period. On the other hand, they themselves have not only indicated the income as reported to IT by the mother for 6 years and father for 4 years as Rs.17.96 lakhs while conceding to the fact that the mother of the AO was doing transport business from 1981 to 2006 of the above report of ACB.

5. The Accused Officer also produced a Letter dated 1.9.2017 issued by the Dy. Transport Commissioner, VSP giving details of the vehicles disposed of by the parents of the AO along the finance particulars etc., it reveals that about 10

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vehicles, out of which (7) vehicles had no financial liability, the vehicles were disposed of by the parents of the AO from time to time, of which 4 were prior to 1994 and 2 were in 1996, 1 in 1998, 1 in 2000 and 2 in 2005 and 2006, respectively. In this connection, the ACB have also reported that subsequently, the vehicles disposed by the AO and his parents from 1992 to 2006 and the approximate value of sale proceedings of the vehicles is arrived at Rs.26,65,000/- as per the assessment of RTO authorities, Visakhapatnam. However, on the presumption that the sale proceeds mostly utilized for clearing loans taken against those vehicles. In support of this, another trader's version has been taken into cognisance, the same trader has categorically stated that each vehicle/trailer would earn Rs.8,000/- to Rs.9,000/- per month from 1980-90 and from 1990-2000, the earnings would be Rs.25,000/- per vehicle per month. Admittedly, as narrated above, if the calculation is made based on the version of the person taken into consideration by ACB, the generation of income by transport business is every possibility to earn an amount of Rs.1.65 cr approximately.

6. As seen from the list of 'Assets' shown in report of ACB, most of the Assets valued at about Rs.30.00 Lakhs are in the name of father and mother of A.O, who are not dependents of the A.O., the assets were acquired by the A.O.s parents prior to entry in service of A.O. in the year 1994. Hence, these Assets may not perhaps be attributed to the A.O.

7. The ACB investigators themselves have been admitted the facts that: (i) the AO's Parents are involved in Transport Business since 1981 to 2006; (ii) they acquired three properties prior to the Check Period (commencing from 1994) with the income of AO's Parents and their rental income (iii) they earned income from Transport Business and Rents on the Residential Properties; and (iv) both the AO's Parents are Income-Tax Assesses.

8. Further, during the period of 26 years of business by the parents of the A.O, only about 6 years income(in respect of AO's Mother) and 4 years income (in respect of AO's Father) as per IT returns was taken and in the remaining 20 years no income has been taken into consideration. It is pertinent to note that the income derived by the parents in the business carried out by them cannot be ignored especially when they are IT assesses. Their assets cannot be clubbed with A.O., as per the Instructions issued vide Govt. Circular Memo.No.623/ Spl.C /A1/2008-1, G.A.(Spl.C)Dept,dated:15.10.2008. Further, while stating that the parents of A.O did independent business, for more than 26 years, the ACB have included them as dependents on Accused officer and their units 1.9 per year out of 91.8 units(for the entire 17 Years' Check Period from 1994 to 2011) were included in the Household Expenditure rounded to Rs.13.71 lakhs(Rs.13,70,581/-). If they are not included as Dependents the prorata expenditure to be given remission is rounded to Rs.5.96 lakhs(Rs.5,95,710/-). The disproportionate assets shown by A.C.B is Rs.66.04 lakhs. If the prorata on Household Expenditure on parents is given deduction, the disproportionate assets would be Rs.60.08 lakhs. Out of this the assets possessed by parents of A.O. i.e., Rs.30.14 lakhs (Rs.30,13,950/-) is deducted the figure of D.A shown further reduces to Rs.29.94 lakhs. As against this, the total income of the AO, including his salary income of Rs.19.62 lakhs, as stated in the DFR, is totalling to Rs.34.32 lakhs (Rs.34,32,422/-). Calculated on the above lines, there will be no Disproportionate Assets for the Accused Officer.

9. Keeping in view of the above, Government have felt and decide that there is no Disproportionate Assets for the Accused Officer. Hence it is hereby drop further action against Sri P.V. Gangadhara Rao, Motor Vehicles Inspector in this disproportionate assets case i.e. finding and recommendation No.1 of Anti Corruption Bureau.

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10. Further, Government decided to initiate departmental action against the Accused Officer, Sri P.V.Gangadhara Rao, Motor Vehicles Inspector on Allegations Nos.(2) & (3), viz., for not filing of Annual Property Returns(APRs) for the years 2007 to 2010 and did not obtain prior permissions for acquisition of Assets vide Items Nos.5,6,7,8,12, 13 and 14 and also not obtained prior permission for disposal of Vehicles vide Items Nos.7, 8 and 9 under the head of "Income" from the Competent Authority. The Transport Commissioner is requested to initiate departmental action against the Accused Officer on the above allegations.

11. The Director General, ACB and Transport Commissioner, Vijayawada are requested to take necessary action in the matter.

M.T. KRISHNA BABU
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Director-General, Anti-Corruption Bureau, A.P., Vijayawada.
The Transport Commissioner, A.P., Vijayawada.
Copy to:
The A.P. Vigilance Commission, Velagapudi, A.P. Secretariat
SF/SC's

//Forwarded:: By Order//

SECTION OFFICER